

Capital Reporting Company
In the Matter of: Redline DC, LLC 08-15-2012

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DISTRICT OF COLUMBIA

ALCOHOLIC BEVERAGE CONTROL BOARD

MEETING

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IN THE MATTER OF:           :
                             :
Redline DC, LLC             :
t/a Redline                 :
707 G Street, NW           :
Retailer CR                 :   Fact Finding
License No. 85225          :   Hearing
ANC 2C                     :
Case No. 12-CMP-00225      :
Failed to File Quarterly   :
Statements, Impeded an ABRA :
Investigation by Providing False:
Identification, Failed to Obtain:
Importation Permit         :
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August 15, 2012

The Alcoholic Beverage Control

Board met in the Alcoholic Beverage Control Hearing Room, Reeves Building, 2000 14th Street, N.W., Washington, D.C., Ruthanne Miller, Chairperson, presiding.

PRESENT

RUTHANNE MILLER, Chairperson

NICK ALBERTI, Member

DONALD BROOKS, Member

HERMAN JONES, Member

CALVIN NOPHLIN, Member

MIKE SILVERSTEIN, Member

ALSO PRESENT

ROXANNA MAISEL, ABRA

Capital Reporting Company

In the Matter of: Redline DC, LLC 08-15-2012

2	<p>1 PROCEEDINGS</p> <p>2 11:21 a.m.</p> <p>3 CHAIRPERSON MILLER: The next case on the</p> <p>4 Board's morning agenda is Case No. 12-CMP-00225,</p> <p>5 Redline, located at 707 G Street, N.W., License No.</p> <p>6 85235. It's a fact finding hearing. Good morning</p> <p>7 still.</p> <p>8 Would you introduce yourselves for the record</p> <p>9 when you're ready, please?</p> <p>10 MS. MAISEL: I'm Investigator Maisel of the</p> <p>11 Alcoholic Beverage Regulation Administration.</p> <p>12 MR. FONSECA: Michael Fonseca on behalf of</p> <p>13 the Licensee.</p> <p>14 MR. DADLANI: Mick Dadlani, owner of Redline.</p> <p>15 CHAIRPERSON MILLER: Okay. Okay. This is a</p> <p>16 fact finding hearing. We're not taking any evidence,</p> <p>17 no testimony under oath or anything like that. It's</p> <p>18 possible though sometimes these proceedings can lead to</p> <p>19 a show cause if some type of violations become apparent</p> <p>20 but not necessarily.</p> <p>21 So I think that there's some confusion with</p> <p>22 respect to ownership of this establishment. I'm going</p>	4
3	<p>1 to let the Board members, you know, speak to any</p> <p>2 specific questions they have. But Mr. Fonseca, you</p> <p>3 look like you may be ready?</p> <p>4 MR. FONSECA: We can. We will. I was just</p> <p>5 curious because -- since the Chair did say there would</p> <p>6 be no evidence taken, are there -- any of the other</p> <p>7 issues raised by the -- in the -- that's not part of</p> <p>8 the --</p> <p>9 MR. BROOKS: Go ahead. Go ahead.</p> <p>10 MR. FONSECA: Are any of the other issues</p> <p>11 that were raised -- because we do have documentary</p> <p>12 evidence of some matters. So I wasn't sure or not if -</p> <p>13 - but if it's only going to go to the issue of the</p> <p>14 purported representation of ownership, then we aren't</p> <p>15 prepared to, you know, to address that.</p> <p>16 CHAIRPERSON MILLER: Uh-huh.</p> <p>17 MR. ALBERTI: Madam Chair, would it would</p> <p>18 help - - be helpful to me at least if we heard the</p> <p>19 report from the investigator first. I think that would</p> <p>20 -- at least it would help me sort of frame the issue of</p> <p>21 --</p> <p>22 CHAIRPERSON MILLER: I'm happy --</p>	5
	<p>1 MR. ALBERTI: -- of this hearing.</p> <p>2 CHAIRPERSON MILLER: -- happy to proceed</p> <p>3 however -- whatever worked best here. Ms. Maisel,</p> <p>4 would you -- would you like to do that?</p> <p>5 MS. MAISEL: Sure.</p> <p>6 CHAIRPERSON MILLER: Okay.</p> <p>7 MS. MAISEL: It would be my pleasure. Thank</p> <p>8 you, Madam Chair. Again, I'm ABRA Investigator Roxanna</p> <p>9 Maisel. I'm here with reference to the violation</p> <p>10 occurring at Redline, located at 707 G Street, N.W.</p> <p>11 Date of violation is March 28th, 2012. On March 15th,</p> <p>12 2012 the ABRA compliance analyst provided the ABRA</p> <p>13 Enforcement Division with a list of establishments that</p> <p>14 had failed to file their quarterly statements.</p> <p>15 Redline was on that list. On March 28th,</p> <p>16 2012 I went to Redline to advise them of the quarterly</p> <p>17 statement violation and to conduct a regulatory</p> <p>18 inspection, which includes a books and records check.</p> <p>19 I spoke to Reymond Fabrice (ph), Eric Francois (ph),</p> <p>20 who I will call Mr. Francois. He stated that he was</p> <p>21 the owner. I advised Mr. Francois that the quarterly</p> <p>22 statement violation for the period October 1st, 2011</p>	
	<p>1 through December 31st, 2011 was the reason of my visit.</p> <p>2 I also conducted a regulatory inspection.</p> <p>3 Through the course of my regulatory inspection, Mr.</p> <p>4 Francois produced out-of-state invoices from JW Sieg</p> <p>5 Wines out of Charlottesville, Virginia -- the date of</p> <p>6 that invoice was March 28th, 2012 -- and an invoice</p> <p>7 from Five Grapes, LLC, which is located in Vineburg,</p> <p>8 California, and has a payment address in McLean,</p> <p>9 Virginia. The date of that invoice was January 4th,</p> <p>10 2012.</p> <p>11 I asked Mr. Francois for the ABRA permit to</p> <p>12 transport alcoholic beverage forms for the out-of-state</p> <p>13 invoices. Mr. Francois stated he did not have them</p> <p>14 because he threw them away. I advised Mr. Francois</p> <p>15 that an ABRA permit to transport alcoholic beverages</p> <p>16 forms are required for out-of-state invoices. I</p> <p>17 completed my regulatory inspection and I did not find</p> <p>18 any additional ABRA violations at that time.</p> <p>19 Upon review ABRA files back at ABRA, I</p> <p>20 observed that, according to the application summary of</p> <p>21 ownership documents, which were filed July 15th, 2012,</p> <p>22 Mick Dadlani is listed as 100 percent owner of Redline.</p>	

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<p style="text-align: right;">6</p> <p>1 This made Mr. Francois's March 28th, 2012 statement to 2 Investigator Maisel that he was the owner false. I 3 determined, therefore, that Mr. Francois had interfered 4 with the investigation of an ABRA investigator by 5 representing himself as the owner. 6 Additionally, because Mr. Francois was 7 determined to not be an owner, I determined that there 8 was no ABC manager or owner at Redline when I visited 9 on March 28th, 2012, which is an additional violation. 10 So in summary, at the conclusion of the -- of my 11 investigation, I determined that Redline had the 12 following violations: failure to file the quarterly 13 statement for the period October 1st, 2011 through 14 December 31st, 2011, the failure to produce ABRA 15 permits to transport alcoholic beverage forms for the 16 out-of- state invoices, no ABC manager or owner on the 17 premises, and interfering with the investigation of an 18 ABRA investigator. 19 Those are the facts in this investigation. 20 CHAIRPERSON MILLER: Thank you. Any Board 21 questions? 22 MR. ALBERTI: I have a quick question. Ms.</p>	<p style="text-align: right;">8</p> <p>1 You indicated that there wasn't the third -- the fourth 2 quarterly report for the calendar year 2011 filed. How 3 did you go about confirming that other than getting the 4 list from an enforcement check? 5 MS. MAISEL: I got a list of establishments 6 that had failed to file their quarterly statements from 7 the ABRA compliance analyst and he does this every 8 quarter. 9 MR. FONSECA: Okay. Did you do a records 10 check before you left to visit the establishment? 11 MS. MAISEL: I don't understand. What do you 12 mean by records check? 13 MR. FONSECA: I'm going to show you a 14 document that is an auto-reply. And if staff would, I 15 have copies for the Board. That's an email auto-reply 16 to an online filing of that report with a record 17 number. And is it correct that it indicates that that 18 quarterly report was filed on January 30th, 2012? 19 MS. MAISEL: I'm not familiar with this 20 system. It's dated January 30th, 2012 at the top but I 21 don't know -- I've not -- I haven't seen this kind of 22 document before.</p>
<p style="text-align: right;">7</p> <p>1 Maisel, on the no ABC manager -- 2 MS. MAISEL: Uh-huh. 3 MR. ALBERTI: -- how do you know there was no 4 -- I mean, I know you talked to Mr. Francois. And so I 5 don't know what the -- you know, what you asked him 6 specifically. So could there possibly have been a 7 manager there and you -- and you just -- your 8 conversations it wasn't revealed or you -- or you tell 9 me what went on -- what went on. 10 MS. MAISEL: Well, I came in, identified 11 myself as an ABRA investigator to a female hostess. I 12 said, "I need to speak with the ABC manager or owner." 13 She got Mr. Francois. Mr. Francois said he was the 14 owner. So when someone identifies himself as an ABC 15 manager or an owner, I take them at their word -- 16 MR. ALBERTI: Okay. 17 MS. MAISEL: -- and assume that they are who 18 they say they are. 19 MR. ALBERTI: That's helpful. Thank you. 20 CHAIRPERSON MILLER: Mr. Fonseca? 21 MR. FONSECA: Yes. Okay. Let's start with 22 the first fact that you've asserted from your report.</p>	<p style="text-align: right;">9</p> <p>1 MR. FONSECA: Is this -- since this is a fact 2 finding, I will summarize. The Board -- the ABRA's 3 database has a notify at QuickBase.com. That occurs 4 when you do online quarterly report filings. So the 5 premise of the initial visit was an enforcement for 6 failure to file. This indeed had been filed. The 7 record ID, 779, is the correct one. Myself, I've 8 confirmed this over a month ago with the Board's 9 records manager, Mr. Hager. So this was in the system. 10 Having said that, that's the first of the issues. 11 The two import permits, we can see that there 12 was not a production of the one for Five Grapes and for 13 JW -- I don't know how to pronounce that -- 14 MR. DADLANI: Sieg. 15 MR. FONSECA: -- Sieg. But I know this 16 investigator will be familiar with what they look like 17 and I'll give the Board copies. Is that -- does that 18 appear to be the JW Sieg import permit? 19 MS. MAISEL: Which JW Sieg import permit? 20 MR. FONSECA: All right. If I may again just 21 ask the Board to look at this document? I'll represent 22 that the line -- the permits issued to Redline, the</p>

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10	<p>1 supplier, JW Sieg, the date of the application is</p> <p>2 3/28/12. The beverages that are indicated and paid for</p> <p>3 are the same that are on the invoice and the</p> <p>4 investigator's report.</p> <p>5 I will acknowledge that her photograph of</p> <p>6 these invoices make it difficult to read but I will</p> <p>7 make the affirmative representation on the record that</p> <p>8 this import permit matches the invoice. So the stock</p> <p>9 and the dates correspond. Having said that, we have</p> <p>10 conceded that on the date of her inspection, this was</p> <p>11 not produced. But we're trying to let the Board</p> <p>12 understand that permits are regularly -- import permits</p> <p>13 are regularly obtained for their out-of-state</p> <p>14 purchases.</p> <p>15 The second document that we've submitted --</p> <p>16 and this one --</p> <p>17 CHAIRPERSON MILLER: Mr. Fonseca, I'm sorry,</p> <p>18 what -- I just got handed the three documents.</p> <p>19 MR. FONSECA: All right.</p> <p>20 CHAIRPERSON MILLER: So --</p> <p>21 MR. FONSECA: This yellow -- this yellow</p> <p>22 document --</p>	12
11	<p>1 CHAIRPERSON MILLER: Okay.</p> <p>2 MR. FONSECA: -- or goldenrod --</p> <p>3 CHAIRPERSON MILLER: Yeah.</p> <p>4 MR. FONSECA: -- is the permit -- the import</p> <p>5 permit in question as to the JW Sieg vendor.</p> <p>6 CHAIRPERSON MILLER: Okay.</p> <p>7 MR. FONSECA: Okay.</p> <p>8 CHAIRPERSON MILLER: Uh-huh.</p> <p>9 MR. FONSECA: It's -- it was -- I mean, this</p> <p>10 is what ABRA issues. This is what's supposed to travel</p> <p>11 with the beverages. It serves both as an importation</p> <p>12 permit for collection of the taxes in front, the excise</p> <p>13 wholesale level taxes, and it also serves as the</p> <p>14 transportation permit, as the investigator said. So</p> <p>15 it's -- it is supposed to travel with the product and</p> <p>16 delivered along at the time of delivery.</p> <p>17 Our representation will be that this was done</p> <p>18 in compliance with the letter of the requirements of</p> <p>19 the regulations. As to the recordkeeping, we'll have</p> <p>20 to leave that to the Board to determine as to its --</p> <p>21 MR. DADLANI: We weren't able to furnish it</p> <p>22 at the time of the request but we did comply with the</p>	13

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<p style="text-align: right;">14</p> <p>1 and how this permitting system works, that there's -- 2 the likelihood that they did not obtain one of these 3 two permits for Redline is, I think, highly improbable. 4 One of the two that were obtained on that day 5 would coincide with that delivery to Redline. 6 MR. DADLANI: I mean, furthermore, we get -- 7 we get deliveries from them and we have every other 8 permit from them. So they do it all the -- I mean, 9 when we get them, it's consistent. We have files and 10 permits for each time. The owner of Five Grapes will 11 testify that we did get the permits. He -- it's -- 12 they fired the truck driver that actually didn't 13 produce this permit because he took it by accident and 14 took it home and lost it. So he -- that guy was fired. 15 CHAIRPERSON MILLER: Okay, good. 16 MR. FONSECA: Okay. All right. Lastly, we 17 agree with the inquiry of Member Alberti as to no 18 manager on duty. We don't think the first instance 19 that that can be concluded if there wasn't a records 20 check or a return visit to -- afterwards on the same 21 day to confirm that there wasn't actually a manager. I 22 mean, our position is there was a licensed manager.</p>	<p style="text-align: right;">16</p> <p>1 an absentee owner. And Fabrice is kind of the face of 2 the place, the operator of the place. He's there all 3 the time. 4 He's also a foreigner who really doesn't 5 understand the legal aspects of saying to somebody that 6 he's the owner but -- and that's also my fault and his 7 fault because really, I call him the owner. He calls 8 himself the owner when it comes to, you know, guests 9 that come in. But legally, he shouldn't be doing that. 10 And I've reprimanded him for that. But he is -- he 11 acts on behalf of me as the owner in terms of day-to- 12 day operations. 13 Legally, we are 100 percent wrong and I 14 apologize to the Board and to the regulators. And we 15 probably misrepresented it but not intentionally or in 16 any malicious manner. It's just that he thinks of 17 himself as the owner. And he does every responsibility 18 that an owner would do at that restaurant. And so when 19 she -- when she came, he basically said, "Yeah, I'm the 20 owner. I run everything." And he basically does. 21 Now, what he should have said is, "I am 22 acting on behalf of the owner. I am -- I'm the guy who</p>
<p style="text-align: right;">15</p> <p>1 Getting to the thornier issue of -- and rightfully so - 2 - the investigator took the word of the -- of Mr. 3 Raymond. And we're ready to deal with that issue now. 4 MR. DADLANI: Sure. 5 MR. FONSECA: And I'll let Mr. Dadlani 6 explain his role -- I mean, his ownership and what his 7 role is and the role of this senior employee. 8 MR. DADLANI: I'd like to address the Board 9 and also to the regulator. I do believe in this 10 situation Fabrice Raymond did misconstrue his -- or 11 misrepresent himself as the owner. And I think that 12 the reason is -- I work at Morgan Stanley full time. 13 I'm not -- I'm not there at the restaurant. Fabrice 14 actually acts on behalf as an owner. He's not 15 technically or legally an owner but every employee at 16 the restaurant refers to him as the owner because he's 17 in charge of all the day-to-day operations. 18 He's basically on my behalf in charge of 19 everything that goes on at Redline. So when you go to 20 a staff meeting and people ask, "Who's the owner of 21 Redline," they never say me. I'm a -- I'm basically a 22 silent owner in the sense that I'm just not there. I'm</p>	<p style="text-align: right;">17</p> <p>1 runs this place but I'm not the owner." And I've 2 actually reprimanded him some and it is my fault also 3 because I do call him the owner and the staff thinks 4 he's the owner. So from that perspective, I have to 5 take some responsibility and he has to take some 6 responsibility. But at the end of the day, there was an 7 ABC manager on duty that day and Fabrice was there as 8 well. 9 I don't know if there's anything else I need 10 to add. 11 MR. FONSECA: Yeah, well, I would -- I would 12 -- a couple of things. With that said, we believe that 13 factually there was not an intent or in actuality an 14 interference with an ABRA investigation. There was no 15 effort to not produce the records. There was no effort 16 not to answer questions. There was the 17 misrepresentation. But I don't believe that rises to 18 the level of an attempt to interfere with an ABRA 19 investigation. 20 And this Board well knows the egregious types 21 of interference. And this, I don't think, even passes 22 a level of an innocent -- of an innocent attempt</p>

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18	<p>1 because there really wasn't any attempt to hide</p> <p>2 anything other than the misstatement and, frankly,</p> <p>3 misrepresentation of his status as an owner, which has</p> <p>4 been corrected.</p> <p>5 And I will lastly note that as of yesterday,</p> <p>6 he now -- this individual holds an ABC manager's</p> <p>7 license. So call him --</p> <p>8 MR. NOPHLIN: I didn't hear the last</p> <p>9 statement.</p> <p>10 MR. FONSECA: Pardon me?</p> <p>11 MR. NOPHLIN: You faded out.</p> <p>12 MR. FONSECA: Oh, and as of yesterday, he now</p> <p>13 holds the position yesterday an ABC manager's license.</p> <p>14 MR. ALBERTI: Mr. Fonseca, can you make sure</p> <p>15 your mike's on? The little bar in front. There you go.</p> <p>16 MR. FONSECA: Yeah, apparently it's not. I</p> <p>17 did not realize that. I'm so used to this being a dead</p> <p>18 mike that I was -- I was paying attention to the other</p> <p>19 one. My apologies. Now, I can sit back. So having</p> <p>20 said that, I think one thing that I'd say as an</p> <p>21 editorial is I believe by and far this establishment is</p> <p>22 well run and now, correctly both with staff and with</p>	20
19	<p>1 the senior employee, run -- well run by an ABC-licensed</p> <p>2 manager with an owner who participates but isn't there</p> <p>3 day in and day out.</p> <p>4 And by and far, if you look at their -- at</p> <p>5 their investigative history, there's only other -- one</p> <p>6 other item. So this is someone that does not have to</p> <p>7 come before you as some of my other clients,</p> <p>8 unfortunately. And I would just hope, as this being a</p> <p>9 fact finding, we could look at this as all intent to</p> <p>10 comply has been met and substantial compliance as to</p> <p>11 one of the two permits has been made.</p> <p>12 And we'd be-- we believe a rebuttable</p> <p>13 presumption that the other permit was issued and is in</p> <p>14 compliance but for the fact that they're not on the</p> <p>15 premises at the time of the request -- rightfully so --</p> <p>16 the authorized request of the investigator because</p> <p>17 that's part of what they do on a regulatory inspection.</p> <p>18 CHAIRPERSON MILLER: Okay. I just have a</p> <p>19 quick question. Did you say that Mr. Francois just got</p> <p>20 an ABC --</p> <p>21 MR. FONSECA: Yes.</p> <p>22 CHAIRPERSON MILLER: -- manager's license?</p>	21
	<p>1 Who had one otherwise at the establishment?</p> <p>2 MR. DADLANI: We have a letter from a guy</p> <p>3 that -- on vacation --</p> <p>4 MR. FONSECA: Alan.</p> <p>5 MR. DADLANI: I made him write a letter. So</p> <p>6 my manager was there. I had an operation manager there.</p> <p>7 MR. FONSECA: And he's on vacation.</p> <p>8 CHAIRPERSON MILLER: Oh, so you did -- okay.</p> <p>9 MR. DADLANI: Yeah, he had someone write a</p> <p>10 letter.</p> <p>11 MR. FONSECA: His name was Alan --</p> <p>12 MR. DADLANI: Resuega (ph).</p> <p>13 MR. FONSECA: Alan -- well, Palayos was R-E-</p> <p>14 S-G- A and then a second last name, P-E-L-A-Y-O.</p> <p>15 CHAIRPERSON MILLER: Oh, okay. And also --</p> <p>16 so Mr. Francois doesn't have any ownership interest at</p> <p>17 all?</p> <p>18 MR. DADLANI: No. Just -- he does not.</p> <p>19 CHAIRPERSON MILLER: But he --</p> <p>20 MR. DADLANI: He's day-to-day --</p> <p>21 CHAIRPERSON MILLER: Facts --</p> <p>22 MR. DADLANI: He runs the place. I mean, I'm</p>	

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22	<p>1 MR. JONES: So the --</p> <p>2 MR. DADLANI: The ABC-licensed manager --</p> <p>3 MR. JONES: -- ABC-licensed manager as why</p> <p>4 we're here --</p> <p>5 MR. DADLANI: Correct.</p> <p>6 MR. JONES: -- was who?</p> <p>7 MR. DADLANI: Al --</p> <p>8 MR. FONSECA: Al -- Alan Resuega Pelaya</p> <p>9 [sic].</p> <p>10 MR. DADLANI: Pelayo.</p> <p>11 MR. FONSECA: We can give you an email or</p> <p>12 something.</p> <p>13 MR. JONES: And he was -- he was there --</p> <p>14 MR. FONSECA: Correct. Yes, he was. That's</p> <p>15 correct.</p> <p>16 MR. JONES: -- on the premises?</p> <p>17 MR. FONSECA: Correct.</p> <p>18 MR. JONES: Okay.</p> <p>19 MR. FONSECA: Absolutely.</p> <p>20 MR. JONES: And how do you know that?</p> <p>21 MR. DADLANI: Well, I mean, I can do a -- I</p> <p>22 can give you a punch in clock of, you know, when he was</p>	24	<p>1 wanted to make sure -- I'm not that smart so I just</p> <p>2 wanted to make sure I follow.</p> <p>3 MR. FONSECA: I get -- I get paid by the</p> <p>4 word.</p> <p>5 MR. DADLANI: We have a copy that shows they</p> <p>6 purchased the permits.</p> <p>7 MR. JONES: Understood. But you do not have --</p> <p>8 MR. FONSECA: The actual permit.</p> <p>9 MR. DADLANI: That's right.</p> <p>10 MR. JONES: -- the actual document?</p> <p>11 MR. FONSECA: Correct, correct. And that's</p> <p>12 why the --</p> <p>13 MR. JONES: That's all, I want to make sure</p> <p>14 I'm clear.</p> <p>15 MR. DADLANI: Their driver got fired, yeah.</p> <p>16 MR. FONSECA: And Member Jones, as late as</p> <p>17 6:00 last night I was on the phone with the owner</p> <p>18 trying to track down that permit. So even the --</p> <p>19 apparently the Five Grapes does not have a copy on it.</p> <p>20 MR. JONES: Understood. Thank you, Madam</p> <p>21 Chair.</p> <p>22 CHAIRPERSON MILLER: You're welcome. Others?</p>
23	<p>1 there, like, time. I mean, I can get you that. You</p> <p>2 know, people punch in.</p> <p>3 MR. JONES: So it's a time card?</p> <p>4 MR. DADLANI: Yeah, like a time card --</p> <p>5 MR. JONES: All right.</p> <p>6 MR. DADLANI: -- they've got. And that's all</p> <p>7 stuff, you know -- it's all done through our restaurant</p> <p>8 software. So you -- it's tied to a computer. It can't</p> <p>9 be altered.</p> <p>10 MR. JONES: I hear -- I hear you. And just</p> <p>11 for other clarification purposes, you do not have one</p> <p>12 of the documents? You were making a</p> <p>13 presumption/assumption based on your knowledge of the</p> <p>14 industry. But just to be clear, you do not have one of</p> <p>15 the documents, correct?</p> <p>16 MR. FONSECA: That is correct.</p> <p>17 MR. JONES: Okay.</p> <p>18 MR. FONSECA: That is correct. I thought I</p> <p>19 had made that clear but I --</p> <p>20 MR. JONES: Well, you used a lot of words.</p> <p>21 MR. FONSECA: -- abundantly clear. Yes.</p> <p>22 MR. JONES: You used a lot of words. I just</p>	25	<p>1 Ms. Maisel, do you have any other comments based on</p> <p>2 what you've heard from Mr. Fonseca?</p> <p>3 MS. MAISEL: No, thank you.</p> <p>4 CHAIRPERSON MILLER: Okay. And Mr. Fonseca,</p> <p>5 did you give Ms. Maisel the documents that you provided</p> <p>6 the Board that you said you brought with you?</p> <p>7 MR. FONSECA: I showed those to her. I --</p> <p>8 frankly, I think I took back the receipt. Otherwise,</p> <p>9 I'll get both of those to her so she'll have it. And --</p> <p>10 MS. MAISEL: Thank you.</p> <p>11 MR. FONSECA: -- if the Board -- if one of</p> <p>12 the Board members can get me a copy of the -- of the</p> <p>13 receipt, then I'll make sure. But I'm sure I can go</p> <p>14 back in the email again and reprint it. But that way,</p> <p>15 I'll have what I said --</p> <p>16 MR. ALBERTI: Yeah, Ms. Walker will get you</p> <p>17 copies and --</p> <p>18 MR. FONSECA: Oh, thank you. Yeah.</p> <p>19 CHAIRPERSON MILLER: Okay. Any other</p> <p>20 comments or Board members' questions?</p> <p>21 (No audible response.)</p> <p>22 CHAIRPERSON MILLER: Comments on how you</p> <p>want</p>

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<p style="text-align: right;">26</p> <p>1 to proceed at this point?</p> <p>2 MR. ALBERTI: I'd like to take a moment to</p> <p>3 get legal advice on this matter, Madam Chair.</p> <p>4 CHAIRPERSON MILLER: Do you want to retire to</p> <p>5 the --</p> <p>6 MR. ALBERTI: I make a motion that we adjourn</p> <p>7 to get legal advice on this matter. But I believe that</p> <p>8 motion needs to be made through the Open Meetings</p> <p>9 Amendment Act procedure. So, I mean, I can make the</p> <p>10 motion if you'd like but usually the Chair does.</p> <p>11 CHAIRPERSON MILLER: Okay. Go ahead. If you</p> <p>12 have it before you. Otherwise I could just --</p> <p>13 MR. ALBERTI: Might take me a moment. I</p> <p>14 wasn't prepared. I apologize.</p> <p>15 CHAIRPERSON MILLER: No? Then I'll do it.</p> <p>16 Okay. As Chairperson of the Alcoholic Beverage Control</p> <p>17 Board for the District of Columbia and in accordance</p> <p>18 with Section 405 of the Open Meetings Amendment Act of</p> <p>19 2010, I move that the ABC Board hold a closed meeting</p> <p>20 for the purpose of seeking legal advice from our</p> <p>21 counsel on the fact finding hearing, Case No. 12-CMP-</p> <p>22 00225, Redline, per Section 405(b) of the Open Meetings</p>	<p style="text-align: right;">28</p> <p>1 Chair.</p> <p>2 (WHEREUPON, at 11:50 a.m., the hearing went</p> <p>3 off record until 11:51 a.m.)</p> <p>4 CHAIRPERSON MILLER: Okay. We are back on</p> <p>5 the record. And as I began this hearing saying that</p> <p>6 this is a fact finding hearing and there were different</p> <p>7 issues out there and we're just hearing to determine</p> <p>8 what action should be taken with respect to questions</p> <p>9 that we had regarding the different issues. So based</p> <p>10 on what we heard from the fact finding, the quarterly</p> <p>11 reports, what we are -- well, we took a vote on this.</p> <p>12 And this is -- when you put them all together</p> <p>13 -- the Board wants to put them all together --</p> <p>14 quarterly reports based on what was submitted, we're</p> <p>15 just going -- we'd like to send them back to</p> <p>16 enforcement just to verify that the quarterly reports</p> <p>17 were in fact submitted then. With respect to permits</p> <p>18 and the ABC manager, there's not conclusive information</p> <p>19 on them. So we are going to send them to the Office of</p> <p>20 Attorney General to investigate further and have -- the</p> <p>21 parties can make, you know, talk with the OAG on that.</p> <p>22 That doesn't say if -- we don't see any</p>
<p style="text-align: right;">27</p> <p>1 Amendment Act of 2010 and deliberating if appropriate</p> <p>2 for the reasons cited in Section 405(b)(13) of the Open</p> <p>3 Meetings Amendment Act of 2010.</p> <p>4 Is there a second?</p> <p>5 MR. NOPHLIN: Second.</p> <p>6 CHAIRPERSON MILLER: Mr. Nophlin, roll call?</p> <p>7 MR. NOPHLIN: I agree.</p> <p>8 CHAIRPERSON MILLER: Mr. Brooks?</p> <p>9 MR. BROOKS: I agree.</p> <p>10 CHAIRPERSON MILLER: Mr. Alberti?</p> <p>11 MR. ALBERTI: I agree.</p> <p>12 CHAIRPERSON MILLER: Ms. Miller agrees. Mr.</p> <p>13 Silverstein?</p> <p>14 MR. SILVERSTEIN: I agree.</p> <p>15 CHAIRPERSON MILLER: Mr. Jones?</p> <p>16 MR. JONES: I agree.</p> <p>17 CHAIRPERSON MILLER: This appears the motion</p> <p>18 has passed by a vote of 6-0. I hereby give notice that</p> <p>19 the ABC Board will hold a closed meeting in the ABC</p> <p>20 Board conference room right now on that issue. So</p> <p>21 we'll return shortly.</p> <p>22 MR. ALBERTI: We're off the record, Madam</p>	<p style="text-align: right;">29</p> <p>1 reason to do anything further with respect to the</p> <p>2 ownership question and any obstructing investigation.</p> <p>3 We don't see anything to pursue there. So that's</p> <p>4 nothing -- anything. Do the Board members have anything</p> <p>5 else to add to my synopsis as to what we are choosing</p> <p>6 to do with the different issues? Then I would make a</p> <p>7 motion that this case proceed in a way that I'm going</p> <p>8 to be dealing with the issues in different -- in those</p> <p>9 different ways.</p> <p>10 Do I have a second?</p> <p>11 MR. NOPHLIN: Second.</p> <p>12 CHAIRPERSON MILLER: Any questions or</p> <p>13 comments?</p> <p>14 (No audible response.)</p> <p>15 CHAIRPERSON MILLER: Just for the benefit of</p> <p>16 Mr. Alberti, who has just joined us, we're about to</p> <p>17 vote as a package on how to proceed with the different</p> <p>18 issues. And I stated that the issue of quarterly</p> <p>19 reports would be referred back to Enforcement for -- to</p> <p>20 verify, that the issue of permits and ABC manager would</p> <p>21 be sent to OAG for their investigation further, and</p> <p>22 that there is no -- that we find no further action</p>

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30	<div>1 necessary with respect to obstructing the investigation</div> <div>2 and the ownership issue.</div> <div>3 MR. ALBERTI: Okay. I --</div> <div>4 CHAIRPERSON MILLER: Yeah, you have something</div> <div>5 you can --</div> <div>6 MR. ALBERTI: Well, just -- I was just -- on</div> <div>7 the permits issue --</div> <div>8 CHAIRPERSON MILLER: Uh-huh.</div> <div>9 MR. ALBERTI: Did you mention that?</div> <div>10 CHAIRPERSON MILLER: Uh-huh. Permits</div> <div>11 (inaudible).</div> <div>12 MR. ALBERTI: Okay. Thank you. And I</div> <div>13 appreciate that, Madam Chair. And I apologize --</div> <div>14 CHAIRPERSON MILLER: Uh-huh.</div> <div>15 MR. ALBERTI: -- for being late.</div> <div>16 CHAIRPERSON MILLER: No problem.</div> <div>17 MR. ALBERTI: Thank you.</div> <div>18 CHAIRPERSON MILLER: Okay. Then there's been</div> <div>19 a motion that's been seconded. All those in favor, say</div> <div>20 aye?</div> <div>21 (Chorus of ayes.)</div> <div>22 CHAIRPERSON MILLER: All those opposed?</div>	32	<div>1 the ownership and the obstruction of justice, for</div> <div>2 instance. I mean, that the investigation was</div> <div>3 conclusive. So therefore, we're not sending any of that</div> <div>4 to OAG. Does that help?</div> <div>5 MR. FONSECA: Somewhat.</div> <div>6 CHAIRPERSON MILLER: Okay?</div> <div>7 MR. FONSECA: Thank you.</div> <div>8 MR. JONES: The intent's the same.</div> <div>9 MR. ALBERTI: The intent -- yeah.</div> <div>10 MR. FONSECA: Yeah, I gather -- I gathered</div> <div>11 that.</div> <div>12 MR. ALBERTI: Yes.</div> <div>13 MR. JONES: All right.</div> <div>14 MR. ALBERTI: And it's the OAG'S</div> <div>15 determination as to whether to --</div> <div>16 CHAIRPERSON MILLER: Proceed. Okay.</div> <div>17 MR. FONSECA: Thank you.</div> <div>18 CHAIRPERSON MILLER: Thank you.</div> <div>19 MR. FONSECA: Thank you, Board.</div> <div>20 MR. DADLANI: Thank you.</div> <div>21 (WHEREUPON, at 11:55 a.m., the hearing was</div> <div>22 concluded.)</div>
31	<div>1 (No audible response.)</div> <div>2 CHAIRPERSON MILLER: All those abstaining?</div> <div>3 (No audible response.)</div> <div>4 CHAIRPERSON MILLER: Then the vote is 6-0-0</div> <div>5 to approve the motion. Okay. Thank you very much.</div> <div>6 Yes, Mr. Fonseca.</div> <div>7 MR. FONSECA: Just one clarification? This</div> <div>8 is a little different than typical where the Board</div> <div>9 refers to the OAG for a notice to show cause. This one</div> <div>10 you're referring it for further investigation. Can one</div> <div>11 conclude then if OAG decides not to charge, then that's</div> <div>12 their investigation? Because it was phrased</div> <div>13 differently than I've heard before.</div> <div>14 CHAIRPERSON MILLER: Well, okay. And I don't</div> <div>15 want to get in too much trouble. But sometimes we even</div> <div>16 refer to show cause or we're not sure that the person</div> <div>17 is certainly -- that you're guilty of the charge. And</div> <div>18 so it's almost the same thing that they -- let them</div> <div>19 look at the evidence that's there. You know, we</div> <div>20 weren't holding a hearing. We just weren't conclusive.</div> <div>21 MR. FONSECA: Okay.</div> <div>22 CHAIRPERSON MILLER: Certainly where -- about</div>		

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